

## **BASIC FINANCIAL STATEMENTS**

**CITY OF LINCOLN, NE**  
**STATEMENT OF NET ASSETS**  
**AUGUST 31, 2002**

	Governmental Activities	Business Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 79,163,708	5,851,755	85,015,463
Investments	93,836,199	42,354,372	136,190,571
Invested Securities Lending	7,653,943	-	7,653,943
Receivables, (Net of Allowance for Uncollectibles)	11,591,240	26,417,432	38,008,672
Internal Balances	970,767	(970,767)	-
Due from Other Governments	25,111,985	6,702	25,118,687
Inventories	1,512,437	6,859,278	8,371,715
Plant Operation Assets	-	4,073,000	4,073,000
Prepaid Items	454,131	653,454	1,107,585
Deferred Charges and Other Assets	230,786	25,059,912	25,290,698
Restricted Assets:			
Cash and Cash Equivalents	421,999	7,474,462	7,896,461
Investments	423,736	190,586,632	191,010,368
Receivables	1,677	189,424	191,101
Net Pension Asset	374,000	-	374,000
Investment in Joint Venture	1,569,684	-	1,569,684
Capital Assets:			
Non-depreciable	97,373,529	99,857,182	197,230,711
Depreciable (Net)	275,406,937	755,246,578	1,030,653,515
<b>Total Assets</b>	<b>596,096,758</b>	<b>1,163,659,416</b>	<b>1,759,756,174</b>
<b>LIABILITIES</b>			
Accounts Payable	5,483,637	14,113,325	19,596,962
Accrued Liabilities	4,270,383	7,394,468	11,664,851
Due to Other Governments	412,690	122,308	534,998
Unearned Revenue	1,255,451	78,000	1,333,451
Obligations under Securities Lending	7,653,943	-	7,653,943
Other Liabilities	690,966	5,218,156	5,909,122
Notes Payable	-	34,710,000	34,710,000
Matured Bonds and Interest Payable	104,250	-	104,250
Liabilities Payable from Restricted Assets	25,866	13,516,862	13,542,728
Noncurrent Liabilities:			
Compensated Absences:			
Payable within One Year	4,812,008	660,088	5,472,096
Payable in More Than One Year	2,075,565	264,827	2,340,392
Claims and Judgements:			
Payable within One Year	2,692,407	-	2,692,407
Payable in More Than One Year	2,814,937	-	2,814,937
Bonds, Notes and Leases Payable:			
Due within One Year	5,583,150	15,732,038	21,315,188
Due in More Than One Year	64,452,687	482,802,073	547,254,760
Deferred Credits and Other	-	3,274,000	3,274,000
Landfill Closure/Postclosure Accrual	-	6,566,000	6,566,000
<b>Total Liabilities</b>	<b>102,327,940</b>	<b>584,452,145</b>	<b>686,780,085</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	321,761,052	476,054,560	797,815,612
Restricted for:			
Debt Service, Net of Related Debt	14,326,179	29,751,466	44,077,645
Revenue Bond Indentures	-	15,645,422	15,645,422
Capital Projects	42,617,666	2,230,848	44,848,514
Other	-	73,896	73,896
Trust Donations	1,201,549	-	1,201,549
Health Care:			
Expendable	5,624,910	-	5,624,910
Nonexpendable	37,000,000	-	37,000,000
Claims	729,063	-	729,063
Unrestricted	70,508,399	55,451,079	125,959,478
<b>Total Net Assets</b>	<b>\$ 493,768,818</b>	<b>579,207,271</b>	<b>1,072,976,089</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF LINCOLN, NE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2002**

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for	Operating	Capital	Governmental	Business-Type	Total
	Expenses	Services	Grants and Contributions	Grants and Contributions	Activities	Activities	
<b>Functions/Programs</b>							
Governmental Activities:							
General Government	\$ (23,530,070)	13,145,419	1,339,987	3,789,597	(5,255,067)	-	(5,255,067)
Public Safety	(58,784,389)	5,780,009	3,629,385	-	(49,374,995)	-	(49,374,995)
Streets and Highways	(21,073,128)	3,140,077	25,099,088	15,469,854	22,635,891	-	22,635,891
Culture and Recreation	(21,219,904)	2,455,509	972,729	763,949	(17,027,717)	-	(17,027,717)
Economic Opportunity	(14,097,457)	1,945,026	9,276,326	-	(2,876,105)	-	(2,876,105)
Health and Welfare	(18,133,340)	2,737,636	9,551,826	-	(5,843,878)	-	(5,843,878)
Mass Transit	(8,176,390)	1,559,453	5,307,904	303,639	(1,005,394)	-	(1,005,394)
Equipment Management	(906,227)	811,855	-	-	(94,372)	-	(94,372)
Engineering Services	(1,810,386)	1,877,110	-	202,028	268,752	-	268,752
Interest on Long-Term Debt	(2,680,738)	256,125	1,684,062	2,100,195	1,359,644	-	1,359,644
Total Governmental Activities	(170,412,029)	33,708,219	56,861,307	22,629,262	(57,213,241)	-	(57,213,241)
Business-Type Activities:							
Parking Lots	(187,586)	203,360	-	-	-	15,774	15,774
Golf	(2,785,793)	2,550,487	-	230,397	-	(4,909)	(4,909)
Parking Facilities	(3,726,638)	4,344,732	-	-	-	618,094	618,094
Municipal Auditorium	(2,303,780)	1,804,255	-	5,365	-	(494,160)	(494,160)
Sanitary Landfill	(5,428,560)	5,601,252	-	36,734	-	209,426	209,426
Emergency Medical Services	(3,518,764)	3,894,100	-	-	-	375,336	375,336
Wastewater System	(12,659,850)	14,926,446	-	2,036,060	-	4,302,656	4,302,656
Water System	(18,206,099)	21,971,839	3,296	3,764,730	-	7,533,766	7,533,766
Electric System	(161,026,000)	159,415,000	-	-	-	(1,611,000)	(1,611,000)
Total Business-Type Activities	(209,843,070)	214,711,471	3,296	6,073,286	-	10,944,983	10,944,983
Total Primary Government	\$ (380,255,099)	248,419,690	56,864,603	28,702,548	(57,213,241)	10,944,983	(46,268,258)
General Revenues:							
Property Tax					34,991,750	-	34,991,750
Motor Vehicle Tax					3,589,367	-	3,589,367
Wheel Tax					7,758,565	-	7,758,565
Sales and Use Tax					47,049,405	-	47,049,405
Sundry and In Lieu Tax					45,685	-	45,685
Occupation Tax					9,020,544	-	9,020,544
Unrestricted Grants and Contributions					3,425,878	-	3,425,878
Unrestricted Investment Earnings					3,495,539	5,239,848	8,735,387
Miscellaneous General Revenues					492,161	204,685	696,846
Gain on Sale of Assets					915,594	148,653	1,064,247
Transfers					1,104,289	(1,087,038)	17,251
Total General Revenues and Transfers					111,888,777	4,506,148	116,394,925
Change in Net Assets					54,675,536	15,451,131	70,126,667
Net Assets - Beginning, as restated					439,093,282	563,756,140	1,002,849,422
Net Assets - Ending	\$				493,768,818	579,207,271	1,072,976,089

The notes to the financial statements are an integral part of this statement.

**CITY OF LINCOLN, NE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**AUGUST 31, 2002**

	General Fund	Street Construction Fund	Community Health Permanent Endowment Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 20,218,690	9,740,924	191,851	42,550,842	72,702,307
Investments	6,770,645	12,563,677	42,387,688	22,282,793	84,004,803
Invested Securities Lending	-	-	7,653,943	-	7,653,943
Receivables, (Net of Allowance for Uncollectibles)	4,400,536	387,629	1,807	6,288,171	11,078,143
Due from Other Funds	970,476	-	-	507,979	1,478,455
Due from Other Governments	9,309,003	12,865,030	-	2,638,253	24,812,286
Inventories	332,024	51,360	-	718,378	1,101,762
Prepaid Items	222,971	-	-	-	222,971
Restricted Assets:					
Cash and Cash Equivalents	-	-	421,999	-	421,999
Investments	-	-	423,736	-	423,736
Receivables	-	-	1,677	-	1,677
Total Assets	<u>42,224,345</u>	<u>35,608,620</u>	<u>51,082,701</u>	<u>74,986,416</u>	<u>203,902,082</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	469,390	834,849	43,162	819,503	2,166,904
Contracts Payable	-	2,645,532	-	169,288	2,814,820
Accrued Liabilities	2,229,197	112,394	5,749	1,505,141	3,852,481
Due to Other Funds	384,702	10,855	8	552,665	948,230
Due to Other Governments	310,333	53	-	98,819	409,205
Unearned Revenue	-	-	-	603,155	603,155
Obligations under Securities Lending	-	-	7,653,943	-	7,653,943
Deferred Revenue	699,662	9,164,013	-	4,936,357	14,800,032
Matured Bonds and Interest Payable	-	-	-	104,250	104,250
Liabilities Payable from Restricted Assets	-	-	1,636	-	1,636
Total Liabilities	<u>4,093,284</u>	<u>12,767,696</u>	<u>7,704,498</u>	<u>8,789,178</u>	<u>33,354,656</u>
Fund Balances:					
Reserved for:					
Encumbrances	840,669	17,216,170	-	2,781,272	20,838,111
Inventories	332,024	51,360	-	718,378	1,101,762
Prepaid Items	222,971	-	-	-	222,971
Debt Service	-	-	-	12,630,821	12,630,821
Trust Donations	-	-	-	1,201,549	1,201,549
Health Care (non-expendable)	-	-	37,000,000	-	37,000,000
Claims	-	-	753,293	-	753,293
Unreserved, Reported in:					
General Fund	36,735,397	-	-	-	36,735,397
Special Revenue Funds	-	5,573,394	-	18,678,118	24,251,512
Debt Service Funds	-	-	-	4,866,366	4,866,366
Capital Projects Funds	-	-	-	25,320,734	25,320,734
Permanent Fund	-	-	5,624,910	-	5,624,910
Total Fund Balances	<u>38,131,061</u>	<u>22,840,924</u>	<u>43,378,203</u>	<u>66,197,238</u>	<u>170,547,426</u>
Total Liabilities and Fund Balances	<u>\$ 42,224,345</u>	<u>35,608,620</u>	<u>51,082,701</u>	<u>74,986,416</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds.	364,643,085
Net Pension Asset is not a financial resource and, therefore, not reported in the funds.	374,000
Investment in Joint Venture is not a financial resource and, therefore, not reported in the funds.	1,569,684
Other long-term assets are not available to pay for current-period expenditures and, therefore, deferred in the funds.	14,800,032
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	18,647,544
Accrued pension contribution liability requires the use of unavailable financial resources and, therefore, is not reported in the funds.	(37,064)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds.	(76,775,889)
Net assets of governmental activities	<u>\$ 493,768,818</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF LINCOLN, NE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2002**

	General Fund	Street Construction Fund	Community Health Permanent Endowment Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes:					
Property	\$ 20,127,857	-	-	15,841,734	35,969,591
Motor Vehicle	3,589,367	-	-	-	3,589,367
Wheel	-	-	-	7,758,565	7,758,565
Sales and Use	47,049,405	-	-	-	47,049,405
Sundry and In Lieu	29,393	-	-	16,292	45,685
Occupation	9,020,544	-	-	-	9,020,544
Special Assessments	3,937	-	-	1,701,958	1,705,895
Intergovernmental	5,058,689	26,562,396	-	27,408,524	59,029,609
Permits and Fees	2,959,797	239,433	-	9,250,649	12,449,879
Reimbursement for Services	4,802,221	14,446	-	788,890	5,605,557
Program Income	-	-	-	1,354,481	1,354,481
Investment Earnings	755,791	573,608	1,900,793	1,376,633	4,606,825
Donations	710,313	-	-	813,832	1,524,145
Keno Proceeds	-	-	-	3,209,235	3,209,235
Sale of Assets	7,867	-	-	745,446	753,313
Miscellaneous	432,022	3,206,339	13,630	585,782	4,237,773
Total Revenues	<u>94,547,203</u>	<u>30,596,222</u>	<u>1,914,423</u>	<u>70,852,021</u>	<u>197,909,869</u>
<b>EXPENDITURES</b>					
Current:					
General Government	22,014,208	-	-	5,222,926	27,237,134
Public Safety	40,792,147	-	-	9,121,022	49,913,169
Streets and Highways	4,831,446	4,382,704	-	1,618,905	10,833,055
Culture and Recreation	9,643,518	-	-	7,331,280	16,974,798
Economic Opportunity	272,406	-	-	13,745,195	14,017,601
Health and Welfare	279,970	-	2,476,088	15,233,545	17,989,603
Mass Transit	-	-	-	12,691,837	12,691,837
Debt Service	-	-	-	7,411,878	7,411,878
Capital Outlay	-	36,687,770	-	12,774,108	49,461,878
Total Expenditures	<u>77,833,695</u>	<u>41,070,474</u>	<u>2,476,088</u>	<u>85,150,696</u>	<u>206,530,953</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16,713,508</u>	<u>(10,474,252)</u>	<u>(561,665)</u>	<u>(14,298,675)</u>	<u>(8,621,084)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	1,451,576	10,114,321	-	24,817,497	36,383,394
Transfers Out	(15,721,955)	(2,698,704)	-	(16,901,045)	(35,321,704)
Issuance of Debt	-	-	-	18,580,000	18,580,000
Premiums / Discounts on Debt Issued	-	-	-	140,593	140,593
Total Other Financing Sources (Uses)	<u>(14,270,379)</u>	<u>7,415,617</u>	<u>-</u>	<u>26,637,045</u>	<u>19,782,283</u>
Net Change in Fund Balances	2,443,129	(3,058,635)	(561,665)	12,338,370	11,161,199
Fund Balances - Beginning	<u>35,687,932</u>	<u>25,899,559</u>	<u>43,939,868</u>	<u>53,858,868</u>	<u>159,386,227</u>
Fund Balances - Ending	<u>\$ 38,131,061</u>	<u>22,840,924</u>	<u>43,378,203</u>	<u>66,197,238</u>	<u>170,547,426</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF LINCOLN, NE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2002**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 11,161,199
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	38,162,734
The net effect of various miscellaneous transactions involving capital contributions is to increase net assets.	8,755,169
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	9,439,349
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(13,519,180)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(741,069)
Changes in the net pension asset do not represent financial activity in governmental funds.	(403,000)
Changes in the interest in the underlying capital assets of the joint venture do not represent financial activity in governmental funds.	1,569,684
Some pension contribution expenses require the use of unavailable financial resources and, therefore, are not reported as expenditures in governmental funds.	(37,064)
Internal service funds are used by management to charge the costs of certain services to individual funds.	<u>287,714</u>
Change in net assets of governmental activities	<u><u>\$ 54,675,536</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF LINCOLN, NE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)**  
**FOR THE YEAR ENDED AUGUST 31, 2002**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Real Estate and Personal Property Tax	\$ 20,996,385	20,996,385	23,909,984	2,913,599
Taxes Collected by Others	47,462,085	47,462,085	45,393,491	(2,068,594)
Sundry Taxes and In Lieu	29,015	29,015	31,621	2,606
Occupation Taxes	7,819,746	7,819,746	9,305,553	1,485,807
Special Assessments	700	700	5,917	5,217
Intergovernmental	4,691,415	4,691,415	5,157,125	465,710
Permits and Fees	2,561,189	2,561,189	2,356,969	(204,220)
Reimbursement for Services	1,524,149	1,524,149	1,839,068	314,919
Court Fees	880,019	880,019	584,485	(295,534)
Recreation Receipts	1,812,071	1,812,071	1,636,142	(175,929)
Investment Earnings	1,057,893	1,057,893	992,092	(65,801)
Donations	779,776	779,776	779,776	-
Rental Income	369,114	369,114	346,695	(22,419)
Parking Revenue	935,000	935,000	935,000	-
Sale of Assets	6,200	6,200	7,867	1,667
Miscellaneous	388,960	388,960	739,630	350,670
Total Revenues	<u>91,313,717</u>	<u>91,313,717</u>	<u>94,021,415</u>	<u>2,707,698</u>
Expenditures:				
General Government:				
Legislative	269,174	269,174	220,597	48,577
Executive	1,285,807	1,301,495	1,109,630	191,865
Financial Administration	2,177,254	2,177,254	1,959,948	217,306
Law	1,770,933	1,770,933	1,640,380	130,553
Personnel Administration	754,155	754,155	715,684	38,471
Planning and Zoning	1,540,714	1,540,714	1,425,545	115,169
Urban Development	648,203	648,203	580,275	67,928
Miscellaneous	16,545,896	16,409,682	14,126,130	2,283,552
Total General Government	<u>24,992,136</u>	<u>24,871,610</u>	<u>21,778,189</u>	<u>3,093,421</u>
Public Safety:				
Police	24,758,273	24,758,273	24,041,677	716,596
Fire	16,206,419	16,206,419	15,610,128	596,291
Traffic Engineering	1,675,499	1,697,999	1,430,401	267,598
Total Public Safety	<u>42,640,191</u>	<u>42,662,691</u>	<u>41,082,206</u>	<u>1,580,485</u>
Streets and Highways:				
Street Maintenance	2,377,319	2,401,016	1,871,325	529,691
Street Lighting	3,225,800	3,225,800	3,219,375	6,425
Total Streets and Highways	<u>5,603,119</u>	<u>5,626,816</u>	<u>5,090,700</u>	<u>536,116</u>
Culture and Recreation:				
Parks and Recreation	9,877,918	9,669,918	9,524,713	145,205
Libraries	60,931	60,931	60,931	-
Total Culture and Recreation	<u>9,938,849</u>	<u>9,730,849</u>	<u>9,585,644</u>	<u>145,205</u>
Economic Opportunity:				
Lincoln Area Agency on Aging	267,239	267,239	267,239	-
Health and Welfare:				
Lincoln/Lancaster County Health	279,198	279,198	279,198	-
Total Expenditures	<u>83,720,732</u>	<u>83,438,403</u>	<u>78,083,176</u>	<u>5,355,227</u>
Excess of Revenues Over Expenditures	<u>7,592,985</u>	<u>7,875,314</u>	<u>15,938,239</u>	<u>8,062,925</u>
Other Financing Sources (Uses):				
Transfers In	1,512,733	1,512,733	1,476,584	(36,149)
Transfers Out	(18,672,909)	(18,880,822)	(15,762,962)	3,117,860
Total Other Financing Sources (Uses)	<u>(17,160,176)</u>	<u>(17,368,089)</u>	<u>(14,286,378)</u>	<u>3,081,711</u>
Net Change in Fund Balances	(9,567,191)	(9,492,775)	1,651,861	11,144,636
Fund Balances Beginning of Year	27,694,318	27,694,318	27,694,318	-
Fund Balances End of Year	<u>\$ 18,127,127</u>	<u>18,201,543</u>	<u>29,346,179</u>	<u>11,144,636</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF LINCOLN, NE**  
**STREET CONSTRUCTION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)**  
**FOR THE YEAR ENDED AUGUST 31, 2002**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 13,500,000	13,500,000	14,896,941	1,396,941
Permits and Fees	-	-	236,288	236,288
Reimbursement for Services	400,000	400,000	14,446	(385,554)
Investment Earnings	1,000,000	1,000,000	686,812	(313,188)
Rental Income	-	-	387	387
Total Revenues	<u>14,900,000</u>	<u>14,900,000</u>	<u>15,834,874</u>	<u>934,874</u>
Expenditures -- Streets and Highways:				
Personal Services	2,546,323	2,546,323	2,675,720	(129,397)
Materials and Supplies	296,435	296,435	404,819	(108,384)
Other Services and Charges	1,512,250	1,512,250	1,231,147	281,103
Capital Outlay	78,100	78,100	66,026	12,074
Total Expenditures	<u>4,433,108</u>	<u>4,433,108</u>	<u>4,377,712</u>	<u>55,396</u>
Excess of Revenues Over Expenditures	<u>10,466,892</u>	<u>10,466,892</u>	<u>11,457,162</u>	<u>990,270</u>
Other Financing Sources (Uses):				
Transfers In	10,114,321	10,114,321	10,114,321	-
Transfers Out	(2,698,704)	(2,698,704)	(2,698,704)	-
Total Other Financing Sources (Uses)	<u>7,415,617</u>	<u>7,415,617</u>	<u>7,415,617</u>	<u>-</u>
Net Change in Fund Balances	17,882,509	17,882,509	18,872,779	990,270
Amount Not Required to be Budgeted	-	-	(22,543,481)	-
Fund Balances Beginning of Year	<u>22,745,043</u>	<u>22,745,043</u>	<u>22,745,043</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 40,627,552</u>	<u>40,627,552</u>	<u>19,074,341</u>	<u>(21,553,211)</u>

The notes to the financial statements are an integral part of this statement.



**CITY OF LINCOLN, NE**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**AUGUST 31, 2002**

	Business-Type Activities -- Enterprise Funds					Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds	Total	
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents	\$ 498,925	1,432,135	105,000	3,815,695	5,851,755	6,461,401
Investments	11,455,211	994,221	24,305,000	5,599,940	42,354,372	9,831,396
Restricted Current Assets:						
Cash and Cash Equivalents	1,073,360	1,584,586	-	-	2,657,946	-
Accrued Interest Receivable	-	2,200	-	-	2,200	-
Accounts Receivable, (Net of Allowance for Uncollectibles)	1,456,198	3,015,155	8,293,000	2,002,232	14,766,585	400,786
Accrued Interest Receivable	62,034	154	408,000	54,342	524,530	112,311
Unbilled Revenues	1,315,633	2,573,684	7,237,000	-	11,126,317	-
Due from Other Funds	-	-	-	12,537	12,537	460,022
Due from Other Governments	-	-	-	6,702	6,702	299,699
Inventories	100,397	841,169	5,753,000	164,712	6,859,278	410,675
Plant Operation Assets	-	-	4,073,000	-	4,073,000	-
Prepaid Expenses	-	-	543,000	110,454	653,454	231,160
Total Current Assets	15,961,758	10,443,304	50,717,000	11,766,614	88,888,676	18,207,450
Noncurrent Assets:						
Restricted Assets:						
Cash and Cash Equivalents	687,317	1,652,304	-	2,476,895	4,816,516	-
Investments	17,113,728	6,977,209	163,710,000	2,785,695	190,586,632	-
Accounts Receivable	-	-	-	5,553	5,553	-
Accrued Interest Receivable	127,676	29,373	-	24,622	181,671	-
Total Restricted Assets	17,928,721	8,658,886	163,710,000	5,292,765	195,590,372	-
Deferred Charges	-	331,177	24,083,000	645,735	25,059,912	-
Capital Assets:						
Land	2,138,362	4,386,767	-	7,660,124	14,185,253	48,250
Buildings	36,948,285	87,276,794	-	48,321,297	172,546,376	351,081
Improvements Other Than Buildings	114,131,419	169,366,277	-	21,888,912	305,386,608	1,163,159
Machinery and Equipment	7,988,285	6,742,019	-	9,178,461	23,908,765	19,800,695
Utility Plant	-	-	628,316,000	-	628,316,000	-
Construction in Progress	14,177,593	12,626,211	58,567,000	301,125	85,671,929	-
Less Accumulated Depreciation	(53,922,048)	(64,161,666)	(232,069,000)	(24,758,457)	(374,911,171)	(13,225,804)
Total Capital Assets, Net	121,461,896	216,236,402	454,814,000	62,591,462	855,103,760	8,137,381
Total Assets	155,352,375	235,669,769	693,324,000	80,296,576	1,164,642,720	26,344,831
<b>LIABILITIES</b>						
Current Liabilities (Payable from Current Assets):						
Accounts Payable	-	-	13,290,000	823,325	14,113,325	501,913
Accrued Liabilities	-	-	7,159,000	235,468	7,394,468	380,838
Accrued Compensated Absences	-	-	-	206,064	206,064	490,073
Due to Other Funds	-	-	-	715,304	715,304	19,480
Due to Other Governments	-	-	-	122,308	122,308	3,485
Unearned Revenue	-	-	-	78,000	78,000	652,296
Claims	-	-	-	-	-	2,692,407
Accrued Interest	-	-	-	7,156	7,156	-
Notes Payable	-	-	34,710,000	-	34,710,000	-
Current Portion of Capital Lease	-	-	-	289,538	289,538	-
Other	-	-	5,211,000	-	5,211,000	-
Total Current Liabilities (Payable from Current Assets)	-	-	60,370,000	2,477,163	62,847,163	4,740,492
Current Liabilities (Payable from Restricted Assets):						
Accounts Payable	1,006,144	450,894	-	552,757	2,009,795	-
Accrued Liabilities	365,366	688,742	-	-	1,054,108	-
Accrued Compensated Absences	212,239	241,785	-	-	454,024	-
Construction Contracts	922,368	2,128,429	-	-	3,050,797	-
Arbitrage Rebate	-	-	-	40,666	40,666	-
Accrued Interest	59,561	238,730	7,019,000	44,205	7,361,496	-
Current Portion of Long-Term Debt	1,032,500	3,010,000	10,035,000	1,365,000	15,442,500	-
Total Current Liabilities (Payable from Restricted Assets)	3,598,178	6,758,580	17,054,000	2,002,628	29,413,386	-
Noncurrent Liabilities:						
Due to Other Funds	-	-	-	268,000	268,000	-
Accrued Compensated Absences	89,731	153,176	-	21,920	264,827	141,858
Claims	-	-	-	-	-	2,814,937
Long-Term Debt, Net	4,560,066	34,549,779	346,623,000	20,720,134	406,452,979	-
Capital Lease Payable	-	-	-	1,349,094	1,349,094	-
Commercial Paper Notes Payable	-	-	75,000,000	-	75,000,000	-
Deferred Credits and Other	-	-	3,274,000	-	3,274,000	-
Landfill Closure/Postclosure Accrual	-	-	-	6,566,000	6,566,000	-
Total Noncurrent Liabilities	4,649,797	34,702,955	424,897,000	28,925,148	493,174,900	2,956,795
Total Liabilities	8,247,975	41,461,535	502,321,000	33,404,939	585,435,449	7,697,287
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of Related Deb	115,869,330	179,007,800	141,664,000	39,513,430	476,054,560	8,137,381
Restricted Net Assets for:						
Debt Service, Net of Related Debt	1,719,318	5,568,755	20,113,000	2,350,393	29,751,466	-
Revenue Bond Indentures	14,717,085	928,337	-	-	15,645,422	-
Improvements	-	-	-	2,230,848	2,230,848	-
Other	-	-	-	73,896	73,896	-
Unrestricted	14,798,667	8,703,342	29,226,000	2,723,070	55,451,079	10,510,163
Total Net Assets	\$ 147,104,400	194,208,234	191,003,000	46,891,637	579,207,271	18,647,544

The notes to the financial statements are an integral part of this statement.

**CITY OF LINCOLN, NE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2002**

	Business-Type Activities -- Enterprise Funds					Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds	Total	
<b>Operating Revenues</b>						
Charges for Services	\$ 15,026,486	22,064,404	159,415,000	3,894,100	200,399,990	22,778,552
Fees	-	-	-	8,021,085	8,021,085	-
Parking Facility Revenue Pledged as Security for Revenue Bonds	-	-	-	2,584,158	2,584,158	-
Parking Facility Revenue - Unpledged	-	-	-	1,962,434	1,962,434	-
Performance Revenue	-	-	-	1,732,094	1,732,094	-
Other Operating Revenue	-	-	-	304,858	304,858	-
Total Operating Revenues	<u>15,026,486</u>	<u>22,064,404</u>	<u>159,415,000</u>	<u>18,498,729</u>	<u>215,004,619</u>	<u>22,778,552</u>
<b>Operating Expenses</b>						
Personal Services	-	-	-	6,177,490	6,177,490	9,786,078
Contractual Services	-	-	-	3,292,647	3,292,647	-
Operation and Maintenance	7,431,452	9,747,888	9,736,000	4,107,691	31,023,031	11,505,119
Purchased Power	-	-	81,197,000	-	81,197,000	-
Depreciation	4,027,563	5,130,704	19,138,000	3,087,898	31,384,165	2,038,411
Payments in Lieu of Taxes	-	-	5,680,000	-	5,680,000	-
Administrative Costs	1,200,835	1,726,545	23,976,000	-	26,903,380	-
Total Operating Expenses	<u>12,659,850</u>	<u>16,605,137</u>	<u>139,727,000</u>	<u>16,665,726</u>	<u>185,657,713</u>	<u>23,329,608</u>
Operating Income (Loss)	<u>2,366,636</u>	<u>5,459,267</u>	<u>19,688,000</u>	<u>1,833,003</u>	<u>29,346,906</u>	<u>(551,056)</u>
<b>Nonoperating Revenues (Expenses)</b>						
Investment Earnings	705,263	623,385	3,467,000	444,200	5,239,848	437,253
Gain (Loss) on Disposal of Assets	-	-	-	(3,142)	(3,142)	53,997
Amortization of Deferred Charges	-	(33,256)	(3,923,000)	(47,760)	(4,004,016)	-
Interest Expense and Fiscal Charges	-	(1,567,706)	(17,376,000)	(1,085,840)	(20,029,546)	(197)
Total Nonoperating Revenues (Expenses)	<u>705,263</u>	<u>(977,577)</u>	<u>(17,832,000)</u>	<u>(692,542)</u>	<u>(18,796,856)</u>	<u>491,053</u>
Income (Loss) Before Contributions and Transfers	<u>3,071,899</u>	<u>4,481,690</u>	<u>1,856,000</u>	<u>1,140,461</u>	<u>10,550,050</u>	<u>(60,003)</u>
Capital Contributions	2,036,060	3,764,730	-	187,329	5,988,119	305,118
Transfers In	-	-	-	346,993	346,993	42,599
Transfers Out	-	-	(1,123,000)	(311,031)	(1,434,031)	-
Change in Net Assets	<u>5,107,959</u>	<u>8,246,420</u>	<u>733,000</u>	<u>1,363,752</u>	<u>15,451,131</u>	<u>287,714</u>
Total Net Assets Beginning of Year	<u>141,996,441</u>	<u>185,961,814</u>	<u>190,270,000</u>	<u>45,527,885</u>	<u>563,756,140</u>	<u>18,359,830</u>
Total Net Assets End of Year	<u>\$ 147,104,400</u>	<u>194,208,234</u>	<u>191,003,000</u>	<u>46,891,637</u>	<u>579,207,271</u>	<u>18,647,544</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF LINCOLN, NE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2002**

	Business-Type Activities -- Enterprise Funds					Governmental Activities -- Internal Service Funds
	Lincoln Wastewater System	Lincoln Water System	Lincoln Electric System	Other Enterprise Funds	Total	
<b>Cash Flows from Operating Activities</b>						
Receipts from Customers and Users	\$ 14,908,300	21,084,121	166,903,000	18,242,224	221,137,645	6,237,367
Receipts from Interfund Services Provided	158,892	529,755	6,583,000	167,124	7,438,771	17,108,398
Payments to Suppliers for Goods and Services	(1,280,853)	(3,412,872)	(109,425,000)	(5,223,740)	(119,342,465)	(9,880,213)
Payments to Employees	(5,274,176)	(5,796,330)	(14,881,000)	(6,104,005)	(32,055,511)	(9,792,283)
Payments for Interfund Services Provided	(441,409)	(1,288,878)	-	(1,104,944)	(2,835,231)	(1,055,614)
Payments in Lieu of Taxes	-	-	(5,584,000)	-	(5,584,000)	-
Other Receipts	-	-	-	304,858	304,858	-
Net Cash Provided by Operating Activities	<u>8,070,754</u>	<u>11,115,796</u>	<u>43,596,000</u>	<u>6,281,517</u>	<u>69,064,067</u>	<u>2,617,655</u>
<b>Cash Flows from Noncapital Financing Activities</b>						
Transfers from Other Funds	-	-	-	388,000	388,000	42,599
Transfers to Other Funds	-	-	(1,086,000)	(311,031)	(1,397,031)	-
Advance from General Fund	-	-	-	70,388	70,388	-
Payment to General Fund	-	-	-	(810,736)	(810,736)	(181,334)
Interest Paid to General Fund	-	-	-	(83,344)	(83,344)	(197)
Net Cash Used by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>(1,086,000)</u>	<u>(746,723)</u>	<u>(1,832,723)</u>	<u>(138,932)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Additions to Capital Assets	(7,772,658)	(16,706,809)	(38,039,000)	(7,047,534)	(69,566,001)	(1,988,682)
Proceeds from Sale of Capital Assets	4,586	35,599	-	148,653	188,838	162,281
Proceeds from Long-Term Debt	-	-	186,052,000	9,165,000	195,217,000	-
Debt Issuance Cost	-	-	-	(194,833)	(194,833)	-
Net Cost of Retiring Plant	-	-	(750,000)	-	(750,000)	-
Principal Payments of Capital Lease	-	-	-	(274,680)	(274,680)	-
Principal Payments of Capital Debt	(992,500)	(2,880,000)	(47,000,000)	(4,764,889)	(55,637,389)	-
Interest Paid and Fiscal Charges	(10,338)	(1,503,494)	(16,464,000)	(1,146,989)	(19,124,821)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(8,770,910)</u>	<u>(21,054,704)</u>	<u>83,799,000</u>	<u>(4,115,272)</u>	<u>49,858,114</u>	<u>(1,826,401)</u>
<b>Cash Flows from Investing Activities</b>						
Proceeds from Sale and Maturities of Investments	30,135,000	17,700,000	178,920,000	14,502,388	241,257,388	12,419,211
Purchases of Investments	(32,980,982)	(9,495,559)	(309,328,000)	(17,238,975)	(369,043,516)	(11,398,799)
Interest and Other Receipts	1,014,633	696,292	3,591,000	539,616	5,841,541	704,333
Net Cash Provided (Used) by Investing Activities	<u>(1,831,349)</u>	<u>8,900,733</u>	<u>(126,817,000)</u>	<u>(2,196,971)</u>	<u>(121,944,587)</u>	<u>1,724,745</u>
Net Increase (Decrease) in Cash	(2,531,505)	(1,038,175)	(508,000)	(777,449)	(4,855,129)	2,377,067
Balances -- Beginning of Year	4,791,107	5,707,200	613,000	7,070,039	18,181,346	4,084,334
Balances -- End of Year	<u>\$ 2,259,602</u>	<u>4,669,025</u>	<u>105,000</u>	<u>6,292,590</u>	<u>13,326,217</u>	<u>6,461,401</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>						
Operating Income (Loss)	\$ 2,366,636	5,459,267	19,688,000	1,833,003	29,346,906	(551,056)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation	4,027,563	5,130,704	19,138,000	3,087,898	31,384,165	2,038,411
Changes in Assets and Liabilities:						
Accounts Receivable and Unbilled Revenue:	40,705	(450,529)	2,911,000	265,478	2,766,654	184,835
Due from Other Funds	-	-	-	3,349	3,349	(6,313)
Due from Other Governments	-	-	-	1,064	1,064	100,164
Inventories	49,087	107,085	(161,000)	(4,989)	(9,817)	(15,559)
Plant Operation Assets	-	-	(509,000)	-	(509,000)	-
Prepaid Expenses	-	-	14,000	35,426	49,426	(231,160)
Other Assets	-	-	(403,000)	-	(403,000)	-
Accounts Payable	1,617,678	820,633	(3,454,000)	368,400	(647,289)	97,938
Accrued Liabilities	(41,403)	14,815	-	27,244	656	23,285
Accrued Compensated Absences	10,488	33,821	-	73,236	117,545	68,084
Due to Other Funds	-	-	-	(106,393)	(106,393)	(116,287)
Due to Other Governments	-	-	-	47,653	47,653	(8,224)
Unearned Revenue	-	-	-	(158,852)	(158,852)	288,527
Claims	-	-	-	-	-	745,010
In Lieu of Taxes	-	-	96,000	-	96,000	-
Other Current Liabilities	-	-	189,000	-	189,000	-
Deferred Credits and Other Liabilities	-	-	6,087,000	-	6,087,000	-
Landfill Closure/Postclosure Accrual	-	-	-	809,000	809,000	-
Total Adjustments	<u>5,704,118</u>	<u>5,656,529</u>	<u>23,908,000</u>	<u>4,448,514</u>	<u>39,717,161</u>	<u>3,168,711</u>
Net Cash Provided by Operating Activities	<u>\$ 8,070,754</u>	<u>11,115,796</u>	<u>43,596,000</u>	<u>6,281,517</u>	<u>69,064,067</u>	<u>2,617,655</u>
<b>Supplemental Disclosure of Noncash Investing, Capital, and Financing Activities:</b>						
Contribution of Capital Assets	\$ 2,036,060	3,557,867	-	187,329	5,781,256	305,118
Capital Asset Trade-Ins	-	-	-	16,763	16,763	1,888
Change in Fair Value of Investments	-	-	-	23,235	23,235	(11,036)

The notes to the financial statements are an integral part of this statement.

**CITY OF LINCOLN, NE**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**AUGUST 31, 2002**

	Police And Fire Pension Trust Fund	Agency Funds	Totals
	<hr/>	<hr/>	<hr/>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,916,919	4,237,573	6,154,492
Investments	129,839,911	-	129,839,911
Receivables:			
Contributions	159,201	-	159,201
Accrued Interest	411,167	16	411,183
Other	-	155,473	155,473
Due from Other Governments	259	-	259
Contractor Retainage	-	1,162,558	1,162,558
	<hr/>	<hr/>	<hr/>
Total Assets	132,327,457	5,555,620	137,883,077
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES</b>			
Warrants Payable	-	2,920,905	2,920,905
Accounts Payable	1,386	100,384	101,770
Accrued Liabilities	3,386	-	3,386
Accrued Compensated Absences	4,232	-	4,232
Due to Other Governments	-	556,263	556,263
Due to Contractors	-	1,791,905	1,791,905
Due to Joint Venture	-	173,791	173,791
Due to Bondholders	-	12,372	12,372
	<hr/>	<hr/>	<hr/>
Total Liabilities	9,004	5,555,620	5,564,624
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS</b>			
Held in Trust for Pension Benefits	\$ 132,318,453	-	132,318,453
	<hr/>	<hr/>	<hr/>

The notes to the financial statements are an integral part of this statement.

**CITY OF LINCOLN, NE**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2002**

	<u>Police And Fire Pension Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 1,585,319
Employee	<u>2,129,880</u>
Total Contributions	3,715,199
Investment Earnings:	
Net Investment Earnings and Depreciation in Fair Value of Investments	<u>5,007,072</u>
Total Additions	<u>8,722,271</u>
Deductions:	
Benefit Payments	8,285,454
Refunds of Contributions	299,914
Administrative Costs	<u>247,755</u>
Total Deductions	<u>8,833,123</u>
Change in Net Assets	(110,852)
Net Assets Held in Trust for Pension Benefits Beginning of Year	<u>132,429,305</u>
Net Assets Held in Trust for Pension Benefits End of Year	<u>\$ 132,318,453</u>

The notes to the financial statements are an integral part of this statement.

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